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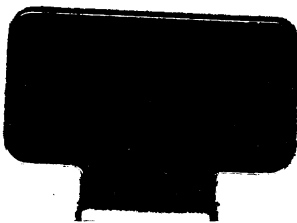
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SIXTY-FOURTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

TO THE

STOCKHOLDERS

OF THE

Cleveland and Pittsburgh

RAILROAD COMPANY.

For the Year Ended
December 31st, 1911.

CLEVELAND, OHIO:
THE JUDSON PRINTING CO.
1912.

... THE ...

CLEVELAND & PITTSBURGH RAILROAD CO.

DIRECTORS.

R. F. SMITH	CLEVELAND
E. R. PERKINS	CLEVELAND
ANDREW SQUIRE	CLEVELAND
WM. G. MATHER	CLEVELAND
S. W. CROXTON	CLEVELAND
JACOB D. COX	CLEVELAND
FRANK J. JONES	CINCINNATI
JOHN P. GREEN	PHILADELPHIA
H. DARLINGTON	PITTSBURGH
JOSEPH WOOD	PITTSBURGH
CHAS. LANIER	NEW YORK
STACY C. RICHMOND	NEW YORK

OFFICERS.

R. F. SMITH,	- - - -	PRESIDENT.
E. R. PERKINS,	- - - -	VICE PRESIDENT.
J. E. KLOSS,	- - - -	SEC. AND TREAS.

REPORT.

CLEVELAND, OHIO, December 31st, 1911.

To the Stockholders of the Cleveland & Pittsburgh Railroad Company :

Your Directors respectfully report as follows, for the year ended December 31st, 1911 :

RECEIPTS.

From the Lessee—Rental, Interest, etc.....	\$1,830,219 72
Interest on Balances, etc.....	2,066 33
TOTAL RECEIPTS	\$1,832,286 05

DISBURSEMENTS.

For Dividends, Interest on Bonds, etc.....	\$1,723,111 08
For Sinking Fund—General Mortgage Bonds.....	95,669 41
For Maintenance of Organization—Current Expenses.	11,239 35
TOTAL DISBURSEMENTS.....	\$1,830,019 84
UNEXPENDED BALANCE	\$ 2,266 21

FUNDED DEBT.

The present status of the General Mortgage Bonds of the Company, the only lien on the property, is as follows :

Outstanding December 31, 1911 :

Series A	\$3,000,000 00
Series B.....	1,995,000 00
Series C.....	2,828,000 00
Series D	1,659,000 00
TOTAL	\$ 9,482,000 00

Five bonds of Series B, twenty-five of Series C, and seventy-two of Series D, General Mortgage Bonds, a total of \$102,000.00, par value, have been retired by the operation of the Sinking Fund during the year, as provided in the Indenture of Mortgage.

CAPITAL STOCK.

At a Special Meeting of Stockholders duly called and held at the office of the Company in Cleveland June 15th, 1911, an increase of \$18,000,000 of the 4% Special Guaranteed Betterment Stock was authorized to be issued from time to time to The Pennsylvania Railroad Company, Lessee, in payment for Additions and Betterments, only, placed upon your property. The terms and conditions of this increase of Capital Stock are in all respects the same as those attached to the increase previously authorized in 1904.

Twenty-one thousand four hundred and seventy-nine shares of Special Guaranteed Betterment Stock of the Company, \$1,073,950.00, were issued to The Pennsylvania Railroad Company, Lessee, during the year, to apply in settlement of the Betterment Account for the year 1910. The total amount of this stock outstanding at the close of the year is \$10,927,000.

BETTERMENTS.

The Betterment Account for the year 1911 is not yet to hand. The total expenditure is reported as amounting to \$2,024,661.03, details of which will appear in subsequent report.

The Betterments for the year 1910 have been adjusted and settled during the year, the details of which will be seen in the following summary :

**REAL ESTATE AND RIGHT OF WAY :—For Stations and Terminals,
and Second and other Additional Tracks.**

Cleveland:

Euclid Avenue-Woodland Avenue:—3d and 4th Tracks	\$ 2,420 16
Bessemer Avenue:—Team Yard.....	2,001 33
Grand Avenue-Aetna Street:—Track Elevation, Group 4	28,845 87
Bedford:—Yard Development	5,585 00
Macedonia:—Exchange of land with Frank M. Wise..	36 66
Ravenna:—Team Yard.....	1,065 57
Salineville:—Widening Right of Way.....	139 97
Yellow Creek-Steubenville:—Second Track.....	823 21
Martin's Ferry.—Relocation of Burlington Road.....	5,000 00
Midland:—Land for Freight Station.....	1,067 85
	<hr/>
	\$46,985 62

Less Credit:

Hudson-Ravenna:—Second Track (Old original line) sale of building....	\$50 00	
Alliance-Summitville:—Second Track, sale of building, net.....	80 46	130 46
REAL ESTATE AND RIGHT OF WAY—NET		\$46,855 16

TRACKS—EXTENSION OF :

Cleveland :

Whiskey Island, Additional Tracks.....	\$ 3,580 10
Holton Avenue, Additional Tracks.....	1,885 11
Kinsman Street:—Track Elevation, Group 4.....	111,089 01
Newburgh:—Track Elevation, Group 5.....	839 20
City Limits—Bridge No. 3:—Third and Fourth Tracks	2,202 68
Bedford:—Westbound Classification Yard.....	50,503 90
Bedford:—Westbound Storage Yard	241,563 48
Ravenna:—Bad Order Car Track at M. V. Junction....	385 93
Alliance-Summitville:—Second Track and Grade Change.....	102,870 30
Wellsville:—Additional Repair Tracks...	1,794 09
East Liverpool:—Second and Third Tracks Through...	4,252 20
Pekin:—Additional Passing Siding	5,432 83
Waynesburg:— “ “ “	6,387 90
Magnolia:— “ “ “	4,088 98
Zoar:— “ “ “	4,180 80
Zoar:—Additional Tracks, relocation Junction Switch..	293 14
	<u>\$541,349 65</u>

Less Credit :

Bellaire:—Additional Storage Tracks.....	24 20
TRACKS—EXTENSION OF, NET	<u>\$541,325 45</u>

SHOPS—ENGINE HOUSES AND TURNABLES :

Cleveland:—Turntable, Coach Yard east of Union Station.....	\$2,368 68
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STATION BUILDINGS AND FIXTURES :

Cleveland:—Additional Office Room, Warehouse, Dock 22.....	\$2,980 80
Cleveland:—Addition to Freight House, Woodland Ave.	5,013 90
Sebring's Crossing:—Station.....	33 20
Moultrie:—Station and Platform.....	953 42

TOTAL STATION BUILDINGS AND FIXTURES	<u>\$8,981 32</u>
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MISCELLANEOUS STRUCTURES :

Cleveland:—Yard Master's Office, East 33rd Street..	\$4,958 65
New Philadelphia:—Yard Master's Office	447 58

TOTAL MISCELLANEOUS STRUCTURES	\$5,406 23
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BRIDGES AND CULVERTS:

Industry:—Extension of Culvert	\$243 80
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WHARVES AND LANDINGS:

Cleveland:—Extension of Dock No. 1, Whiskey Island	\$ 9,652 09
Cleveland:—Development of Lake Front Property, West Breakwater	194,879 26

TOTAL WHARVES AND LANDINGS	\$204,531 35
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EQUIPMENT :**Freight :**

525 Steel Gondola Cars—Tenth annual payment to Car Trust (Final)	\$ 56,883 50
18 Ne Cabin Cars, 1910 Program (Final)	13,184 28
5 H-8a Locomotives, 1910 Program.	98,409 35
3 H-6b " " " "	45,000 00
3 B-29 " " " " ...	36,705 13
	<u>\$250,182 26</u>

Passenger :—

2 P. K. Coaches, 1909 Program (Final)	14,017 34
2 E-2b Locomotives, 1909 Program (Final)	62 84
	<u>\$14,080 18</u>

TOTAL EQUIPMENT	\$264,262 44
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TOTAL BETTERMENTS	\$1,073,974 43
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The Company's financial condition at December 31st, 1911, is as follows :

BALANCE SHEET.

DEBTOR.

ROAD AND EQUIPMENT :

Investment to June 30th, 1907—

Road	\$23,083,621 50
Equipment.....	5,712,082 78
	<u>\$28,795,704 28</u>

Investment since June 30th, 1907—

Road.....	2,883,996 93
Equipment	1,495,009 39
	<u>4,379,006 32</u>

TOTAL ROAD AND EQUIPMENT \$33,174,710 60

Treasurer's Balance :

Cash	\$ 6,729 64
United States Bonds.....	71,662 90
	<u>\$ 78,392 54</u>

New York Agency 75,041 18

Pennsylvania Railroad Company, Lessee, Materials Account 261,210 66

Pennsylvania Railroad Company, Lessee, Accrued Rental Account..... 164,970 63

TOTAL CASH AND ACCOUNTS \$ 579,615 01

TOTAL DEBTOR..... \$33,754 325 61

CREDITOR.

CAPITAL STOCK :

Regular Guaranteed Issues.....	\$11,228,150 00
Special Guaranteed Betterment Issues	10,927,000 00
Original Issues	9,550 00
Scrip Issues	10,449 94
	<u>\$22,175,149 94</u>

TOTAL CAPITAL STOCK AND SCRIP ... \$22,175,149 94

BOND ISSUES :

General Mortgage, Series A	\$3,000,000 00
General Mortgage, Series B	1,995,000 00
General Mortgage, Series C	2,828,000 00
General Mortgage, Series D	1,659,000 00
	<u>\$ 9,482,000 00</u>

TOTAL FUNDED DEBT..... \$ 9,482,000 00

Additions to property contributed by Lessee since June 30, 1907 \$ 921,084 93

Income Account—Balance..... \$ 877,487 55

ACCOUNTS PAYABLE :

Due on Matured Dividends and Interest	\$ 124,256 44
Due on Accrued Dividends and Interest	164,049 61
Due to Individuals—Net	10,262 32
Due Pennsylvania Railroad Company, Lessee, account of Betterments—Balance	34 82
TOTAL ACCOUNTS PAYABLE.	<u>\$ 298,603 19</u>
TOTAL CREDITOR	\$33,754,325 61

The "Property Investment" Accounts of your Company, heretofore shown under the heads of "Construction," "Equipment," "Machinery and Tools," etc., have been restated during the past year, as will be seen in the foregoing Balance Sheet. This is done in order to secure conformity with the uniform accounting regulations prescribed for all railroad corporations by the Interstate Commerce Commission of the United States.

The figures for "Road and Equipment" since June 30th, 1907, on the debit side of the Balance Sheet, include additions to the property amounting to \$921,084.93, for which Betterment Stock has not been issued, and the cost of which has been charged against the Surplus Earnings of the Pennsylvania Company. This amount is represented on the credit side of the Balance Sheet by account titled "Additions to Property contributed by Lessee since June 30th, 1907," and is not paid for by the Lessor Company, nor included by the Lessee Company in charges to the Betterment Account.

TRAFFIC OPERATIONS.

The Lessee reports the receipts from traffic operations for the year, and the disposition of the same, as follows :

EARNINGS.

From Passenger Traffic	\$1,272,378 93
" Freight "	8,658,774 79
" Mails, express, etc.....	593,760 66
TOTAL EARNINGS.....	<u>\$10,524,914 38</u>

EXPENDITURES.

Operating Expenses, including taxes.....	\$7,165,911 05
Dividend Fund.....	1,184,679 51
Interest on Funded Debt.....	377,499 82
Fund for Maintenance of Organization	11,000 00
Rent of Tracks, Yards, Terminals and Other Prop- erty—Net	311,555 36
Hire of Equipment.....	169,319 28
TOTAL EXPENDITURES	\$9,219,965 02
SURPLUS.....	\$1,304,949 36

The results compare with the corresponding figures for the previous year as follows :

Surplus, 1910.....	\$1,660,665 94
" 1911.....	1,304,949 36
DECREASE IN NET RESULTS.....	\$ 355,716 58

The results of all operations for the year compare with those of the preceding year as follows :

EARNINGS.

Freight Traffic	Decrease, \$1,223,537 16
Passenger Traffic	Increase, 47,517 06
Mails, Express, etc	" 4,216 86
NET DECREASE IN EARNINGS	\$1,171,803 24

EXPENDITURES.

Operating Expenses	Decrease, \$757,603 00
Dividend Fund and Interest on Funded Debt, Increase,	18,649 65
Rental of Tracks, Yards, Terminals and Other Property—Net	Decrease, 19,905.87
Hire of Equipment	" 57,227 44
NET DECREASE IN EXPENDITURES	\$816,086 66

The Traffic results compare as follows :

	1911.	1910.	
Gross Earnings.....	\$10,524,914 38	\$11,696,717 62	Decrease, \$1,171,803 24
Operating Expenses..	7,165,911 05	7,923,514 05	" 757,603 00
NET EARNINGS ..	\$3,359,003 33	\$3,773,203 57	" \$414,200 24

The Locomotive and Car equipment of your Company in service December 31st, 1911, is reported by the Lessee, as follows :

LOCOMOTIVES.

Passenger Service	24
Freight Service	116
Shifting Service.....	50
TOTAL	190

PASSENGER CARS.

Coaches	67
Baggage Cars	30
TOTAL	97

FREIGHT CARS.

Box Cars	911
Stock Cars	50
Gondola Cars	4613
Flat Cars	46
Cabin Cars.....	109
TOTAL.....	5729

New equipment was added during the year as follows :

Coaches	11
Baggage Cars	5
TOTAL	16

Eleven Box Cars, six Stock Cars and two Flat Cars were rebuilt as Gondola Cars during the year.

All equipment was in active service December 31st, 1911.

The duties required by the provisions of the lease have been faithfully performed, and all payments promptly met at maturity thereof, by the Lessee, during the year.

By order of the Board.

Respectfully submitted,

R. F. SMITH, *President.*